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Human Events YOUR WASHINGTON SERVICE

Vol. XIX, No. 25 June 23, 1962 Section 1 — News

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The Mess In JFK: On June 11, the President, speaking at Yale, apparently thought he was offering an "olive branch" to business. The next day, the stock market suffered its third worst decline since last month. As commonly remarked, the market faced up to the prospects emanating from the "olive branch speech" and was scared by what it saw.

An even more frequent comment is: "Every time JFK makes a speech or statement, the market falls out of bed." Ominously, such a comment recalls similar ones in the hectic days following the 1929 crash.

Those on the sidelines here say the trouble is not so much the "mess in Washington" as the "mess in the mind of JFK and his advisers." The dilettante sycophants around the President doubtless convinced him he had composed a masterpiece for the Yale audience. Within a few hours, critical editorial writers were mercilessly dissecting his clever little *mots* and his lofty scrambling of the facts of economics. (See "JFK Myths and Legends," Section IV, this issue.)

Worst of all, a fearsome club peeked through the leaves of the olive branch:

> **"If a contest," said the President, "of angry argument were forced upon it, no administration would shrink from response and history does not suggest that American Presidents are totally without resources in an engagement forced upon them because of hostility in one section of society."**

Capitol Hill interpreted this to mean a threat of another crack-down similar to that used on Big Steel, and members of Congress assumed that business and the investing community (some 16 million individuals) would draw this upsetting conclusion.

One incident reported by the Associated Press fed the mounting concern about the competency of the young man in the White House and his advisers. The AP on June 10 said that Kennedy and his chief Economic Adviser, Walter ("Wrong Way Walter") Heller, on Black Monday wanted William McC. Martin, Chairman of the Federal Reserve Board, to lower the 70 per cent margin requirement on stock purchases to stop the market slide.

Martin declined, pointing out (1) that such a reduction could not help those who had already borrowed on margin, and (2) that Wall Street would interpret the move as a sign of panic. No professional in the financial field disagrees with Martin's stand.

The President, perhaps, could be pardoned for making this error, but what about his chief Economic Adviser? The pros say Heller is simply a "text-book prof" and should be replaced with someone familiar with practical financial considerations.

The same AP story described JFK as saying to Chairman Martin in so many words: "You wanted me to balance the budget and reach a quick, non-inflationary settlement in steel, and look at what has happened. Now you can do something [lower stock margins] for me."

This picture appalls Capitol Hill. Not only has the President—with his wild spending requests—failed to balance the budget, but also the "non-inflationary" labor settlement in the steel industry was nothing of the sort. What is worse, however, is the posture of a President claiming he did a favor for the Chairman of the Federal Reserve Board and in return wanting a favor "for me."

Such a political attitude and such egotism especially shocks members of the Senate and House financial committees who fear the economy could be badly damaged by such crude handling of the sensitive mechanisms of national finance.

Boston Bloodshed: The Hatfields and the McCoys seem like kissin' kin compared to the Kennedy and McCormack clans. And more bad blood emerged from the recent Massachusetts Democratic state convention, in which JFK's brother Teddy violently wrested the US Senate nomination away from state's Attorney General Edward J. McCormack, Jr., nephew of House Speaker John McCormack.

The elder McCormack's subsequent announcement that he will get out and campaign for Eddie (Who upon his convention defeat said, "I will now take my case to the people.") against the President's

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brother in the September primary may have shaken the Bay State but it hit Washington like a blockbuster.

Observers understand the feelings of the McCormacks. Behind the inexperienced young Teddy was arrayed the immense power and influence of the Kennedys. Delegates were blitzed with high pressure, hard-sell tactics and a flood of lucrative post office and other job offers—all reminiscent of the Kennedy tactics which paid off so well at the 1960 Democratic Presidential nominating convention in Los Angeles.

The Boston *Globe* reported that Speaker McCormack was "shocked" at the swiftness with which the nomination was grabbed from his nephew and that "close associates" of the Speaker say he feels "double crossed" by the outcome.

But in the eyes of Capitol Hill the really big question is just what does this vendetta mean in terms of the Administration's legislative program? With the House Speaker—upon whom JFK must depend for his "must" legislation—out campaigning against the President's brother, what will be the situation during the final push toward adjournment, with the crucial national elections just around the corner?

Estes Case "Leaks": Having been fired from his job as minority counsel on the Fountain subcommittee investigating the Billie Sol Estes case for "leaking" the Agriculture Department's report on Estes to a newsman (See HUMAN EVENTS last week, page 435.), Robert E. Manuel now charges he knows of some Democrats in high places who are quite expert at "leaking" information.

In a 46-page record of Fountain subcommittee proceedings, Manuel states that while he was a counsel for the Senate Rackets Committee the Committee's chief counsel, Robert Kennedy (now Attorney General), and a Senator "who is now President" regularly leaked information on committee activities they wanted the press to know about. Manuel says his Rackets Committee experiences had shown him "no one was more skilled" in leaking stories than the Kennedys.

Manuel also charges that, although he was fired for leaking the report on Estes (an action he felt was necessary because of what he considered the committee's lack of initiative in the case), a Democratic source on the committee actually leaked the story of his impending dismissal to a Texas newspaper.

Withholding Taxes on Dividends: Senator John J. Williams (R.-Del.) stirred Senators—already keenly wary of rough Administration methods in pressuring for legislation—with a speech on June 11 demanding to know whether some sort of "deal" had been made with the U.S. Savings and Loan League.

What made him suspicious was the fact that the League, which had originally urged savers to write letters to Congress protesting the Administration's bill proposing withholding taxes on dividends and interest, last week dropped its mail campaign.

Williams told the Senate that the action "has the appearance of either an attempt to blackmail a group for its support or a $300 million deal with the association in return for its support." Some quarters felt the League dropped the mail campaign in fear that to keep up the fight might endanger the compromise formula of higher taxes on savings and loan associations which the pending bill imposes. In view of the way White House lobbyists work such an inference was not surprising.

However, the League issued a statement saying that it reaffirmed "its opposition to withholding" of taxes on income from dividends and interest. Whatever the League said to its savers about continuing to write protests against the withholding provision, the fact is that small investors are showing every sign of persisting in what has turned out to be an overwhelming mail campaign.

Not the least among the developments which spur the efforts of savers and small investors was the firm and forthright stand against this withholding bill by Harry Byrd (D.-Va.), Chairman of the Senate Finance Committee, which is now considering the measure. Byrd says this bill, if passed, would work an unfair hardship on millions of small savers and investors and he will fight it. Other opponents of the bill expect Byrd's great prestige throughout the country will increase the volume of protests.

Administration lobbyists had been counting on the mail inflow to subside, thereby swinging Finance Committee members against Byrd's stand. Those on Byrd's side, therefore, urge savers and small investors to redouble their epistolary efforts.

Myths: The President in his Yale speech attacked as a myth the belief that our public debt is growing at a dangerously rapid rate. Leslie Gould, financial editor of the Hearst New York *Journal American*, says JFK, in this, was trying to create some myths of his own.

JFK denies the federal debt is growing dangerously and says it has increased only 8 per cent since the war, while private debt has increased 305 per cent and state and local government debts have increased 378 per cent.

Gould says: "The trouble with these figures is that the President is comparing apples with pears. The big increase in the national debt was during World War II, when other debts—private and state and local—were virtually unchanged, due to the war restrictions. The correct way is to show what has happened since 1942. The federal debt since then has increased 361 per cent, ahead of private debt, as well as local and state debt."

Gould produces figures from the Federal Reserve and the Department of Commerce showing that "since 1941 the federal debt has gone up 361.1 per cent, state and local 258.9 per cent and private

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debt 341.2 per cent. Thus the federal government has outstripped all the others in mortgaging the future."

On another point, Gould challenges Kennedy. The President said: "Corporate plans are not based on a political confidence in party leaders, but on an economic confidence in the nation's ability to invest and consume." The President then pointed to 1929, 1954, 1958 and 1960 as periods when business had full confidence in the Administration in power, but this did not prevent recessions.

Gould puts him right: "In all these periods, particularly 1929, investors lacked confidence in the then Administration and sold, just as they did a couple of weeks ago. In 1937—when there was a big shakeout in the market—confidence of both investors and business was shaken by the Democratic administration of FDR."

Laos: "Harriman's Folly"—the name given to the policy pursued by the Administration in Laos—remained in the news limelight last week as the feuding princes of Laos put together a shaky coalition cabinet.

The cabinet, according to Laotians, was another severe setback for the pro-Western forces as only two of 15 members could be considered "right-wing." The rest are either neutralists, pro-Communists, or Communists.

"The pro-Western forces would not have agreed to this cabinet," said one Laos official in Washington, "if the US had not forced us to accept this agreement."

The Minister of Information in the new cabinet, Phoumi Vongvichit, was president of the Communist Pathet Lao delegation in Geneva when truce negotiations were being carried out. He will play a key role when new elections are held in Laos. Observers here recall that the ministry of information was held by the Communists in a free Czechoslovakia in 1948 and that this strategic post, subverted by the Reds, paved the way for a Red takeover of that once-free republic.

Laotians also fear the United States will repeat the same mistake the Western allies made in 1954 in the Indo-China truce. At that time, the allies agreed to withdraw their troops from Laos if the North Vietnamese (the Viet Minh) would also withdraw. The Viet Minh, however, first buried their arms, then withdrew and later easily re-infiltrated Laos.

Harriman last week committed the US to a repetition of this same fatal policy. He said the US would withdraw its military advisers in Laos when the Viet Minh pulled out but offered no way to prevent their re-entry. Diplomatic Row did not remain puzzled, therefore, when Khrushchev immediately hailed the Laotian agreement.

Economic Myths: In attempts to justify deficit financing, the President and his economic advisers, in conjunction with the liberal press (in particular, the New York *Times* and its financial writer, Edwin Dale) are contending that European countries with rapid economic growth rates have been running large budget deficits.

Kennedy, it is reported, is relying heavily, in his economic thinking, on a special study done at Harvard and published by the Brookings Institution. In order to find out just how much truth there is in the study's contention that budget officials may hold the key to miraculous growth rates, HUMAN EVENTS contacted the Embassy of West Germany—a country which even liberal economists agree is in the pink of health and possesses the most vital economy on the Continent.

According to the Embassy, which gave out the budget figures from the most authoritative source, the West German Statistical Year Book, the West Germans have balanced their budget four times in the past six years. The budget surpluses, furthermore, were more than the total deficits. This, of course, is in sharp contrast to the path of the United States' budgets over the years. In addition, West Germany has no unemployment problems.

In defiance of this lesson, Administration "economists" frequently state that balanced budgets and full employment cannot be achieved simultaneously.

White House Press Censorship: Add the Washington press corps to the growing list of groups who have become disillusioned with President Kennedy in recent months. Newsmen here increasingly complain the Administration seems more interested in "using" the press than in aiding it in its task of informing the American people.

One major source of complaint is the televised Presidential press conference. Reporters feel the White House palace guard is almost exclusively interested in staging a show which will enhance JFK's image.

It is widely believed the questions the President wants asked are planted with pet newsmen, with tough ones skirted or discouraged. One Washington bureau man recently told HUMAN EVENTS that his paper was playing up the current stockpiling hearings, which go back to Ike's Republican Administration, as a safeguard against White House disfavor.

Reporting in the White House-banned New York Herald Tribune *last week, Robert G. Spivack, himself a liberal newsman, stated there is "creeping censorship" of the White House press corps and increasing use of pet newsmen.*

Wrote Spivack: "The President's decision to cancel not only his own subscription to the New York *Herald Tribune*, but 21 other subscriptions, could only leave the impression that he is now deciding the reading habits of his associates. There is a joke making the rounds in Washington these

REVEREND GERALD E. KUHN, St. Paul's Lutheran Church, Falls Church, Virginia: "I have enjoyed reading HUMAN EVENTS and have found it extremely useful in gaining a wider perspective on national and international news."

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days. 'President Kennedy,' it goes, 'firmly believes in the right to dissent. In fact, he will tell you what you can dissent about.' "

Splitting Bloc Votes: The Senate Judiciary Committee is expected to act favorably this week on legislation sponsored by seven Senators designed to break the grip of big-city machines and well organized minority groups which wield enormously disproportionate powers during a Presidential campaign.

The measure, S. J. Res. 12, was voted out of a Senate Judiciary subcommittee two weeks ago as the result of a deadlock-breaking vote by Senator Kenneth Keating (R.-N.Y.) and is now being studied by the full Judiciary Committee.

The resolution, identified with Senator Karl Mundt (R.-S.D.), who pushed similar legislation six years ago, would have every Presidential elector—except two in each state who would run at large—elected from an area comparable to the size of a congressional district.

Under the present system, if a bare majority of the people in New York, for example, cast their votes for a slate of electors pledged to one Presidential candidate, that candidate gets the total electoral votes of that state (which equals the total number of its Representatives and Senators). Under the Mundt plan, the electoral vote could be divided and Democrats, it is figured, would have a much tougher time winning Presidential elections.

Those who are keeping tabs on the measure—which, as a Constitutional Amendment, needs a two-thirds majority vote on the floor—say it is just short of the votes needed. Minority Leader Everett Dirksen (Ill.) reportedly thinks the measure has a good chance. Writing your Senators may put it over the top.

Fostering Castros: Recent internal turmoil in Spain and Portugal, two US military allies, is being partly blamed on US foreign policy which has permitted the leftists in these countries to believe the United States is behind activities to overthrow the existing regimes on the Iberian peninsula. According to foreign correspondent Constantine Brown, some US policymakers are actually hoping that left-wingers will eventually rule in both these countries.

Diplomatic Row is particularly alarmed by Walter Reuther's announcement recently that his United Auto Workers would give $10,000 to Spanish strikers, many of them egged on and led by Communists. This gift will come out of the UAW's strike fund, built up largely through compulsory union dues. So far, it is noticed, the Administration has refused to denounce this action which would go a long way toward spreading riots in Spain.

Portugal fares even worse at the hands of the Administration. The Portuguese are particularly incensed at the American Committee on Africa, which is supported by Arthur Schlesinger, Jr., and boasts of close connections with G. Mennen "Soapy" Williams. This committee has continued to support Holden Roberto, who is conducting a terrorist operation against the Portuguese in Angola from his headquarters in Leopoldville, the capital of the Congo.

Capitol Camera: Recently Commerce Secretary Luther Hodges was lauded in the press for telling Congress there was too much deadwood in his Department, the number of Department employes was excessive and he could cut it by ten per cent if civil service rules permitted. But last week Representative August E. Johansen (R.-Mich.) said: "Hodges should turn in his halo." The Commerce Secretary, Johansen noted, had already asked Congress for an extra 2,229 employes before making his "deadwood" remark.

• *Senator Homer Capehart (R.-Ind.) says the Administration has apparently compiled a word blacklist. Included on this blacklist are words like patriotism,* Liberal Papers, *victory over communism and* Herald Tribune. *Capehart then noted that the word Cuba must now be on the blacklist, for he quoted from a recent letter Under Secretary of State George Ball addressed to a Senate committee: "The President had in particular given instructions that the Cuban affair be discussed as little as possible."*

• Cuban exiles inform HUMAN EVENTS that the Kennedy Administration is hampering attempts by Cubans to regain their homeland from Castro. Cuban citizens intent upon fighting Castro have been disarmed by the Central Intelligence Agency before being allowed to leave the US. Exiles are also discouraged from rounding up help from friendly Latin countries.

• *Martinsburg, West Virginia, last week joined the growing Southern march toward the Republican party. The GOP won its first municipal election in 20 years, electing six out of seven councilmen. The lineup had been six to one in favor of the Democrats.*

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HUMAN EVENTS

--- COMMENTARY ---

I place economy among the first and most important virtues, and public debt as the greatest danger to be faced.

—Thomas Jefferson

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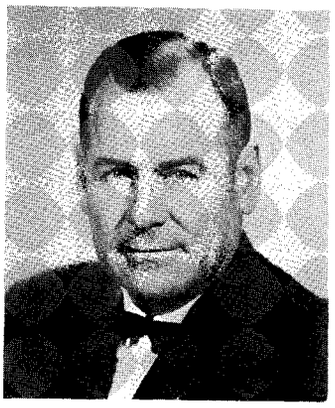
Beermann's Win Is Conservative Victory

By WALTER TROHAN

THE CAUSE of conservatism scored a triumph in Nebraska's recent primary which has sent so-called liberals to dunking their puzzled heads in sands of forgetfulness.



BEERMANN

Representative Ralph F. Beermann (R.-Neb.), a first termer in the House and an avowed conservative, won a stunning upset by taking 29,701 votes against 25,345 for Representative Phil Weaver (R.-Neb.), dean of the Nebraska House delegation and a member of the powerful Appropriations Committee, and some 7,000 votes for Robert Harrison, a former Congressman who entered the race as part of a plan to divide Beermann's conservative strength. Weaver is a self-styled moderate and Harrison a conservative, but not in the tradition of Senator Barry Goldwater (R.-Ariz.) and Senator John Tower (R.-Tex.), as Beermann is.

Because Nebraska lost a House seat as a result of the 1960 census, Weaver and Beermann were pitted against one another as their districts were combined. Beermann made his pitch on the basis of his conservative record and the fact that he considers the paramount issue before the country one of socialism against freedom.

DURING HIS FIRST TERM in the House, Beermann's votes matched his philosophy with the result that he was frequently accused of being against the farmer. Beermann declined to quibble or sidestep the issue, deliberately seeking votes on the contention that he was more conservative than Weaver. In one speech he described the difference between himself and Weaver as one of $9 billion, in reference to Federal spending which he opposed and Weaver supported.

In the middle of the primary campaign Beermann clashed with the chief of the Nebraska Council on Farmer Cooperatives, because he felt the organization was supporting legislation not in the best interests of farmers. The clash came over a provision for taxing farmer cooperatives.

At a last-minute session the House Ways and Means Committee slipped in an amendment which permitted directors, under authority of bylaws, to retain dividend and patronage funds indefinitely while individual patrons or members assumed the tax liability. This meant that farmers could be denied the use of their own money for as long as 15 years, although they would be required to pay taxes yearly on the "book dividends" allotted them. Beermann attacked the provision as a violation of farmer rights although co-op officials accused him of "voting against the farmer," usually a sure-fire death sentence in the Farm Belt.

INSTEAD, BEERMANN WON a smashing victory. The significance of the victory was understood in Nebraska, but foes of conservatism have tried to suppress the victory because it spells disaster for so-called moderates and so-called liberals.

"Mr. Beermann cast a more positive image [than Weaver]," the Omaha *World-Herald* editorialized. "He stood foursquare as a dedicated conservative . . . in almost every speech he spoke strongly against the Administration farm program and talked of a brighter day when the government will get off the farmer's back. He was uncompromising in his opposition to Kennedy welfarism, spending and deficits."

The Sioux City *Journal* wrote that in naming Beermann, Republicans in the 1st Congressional District "disproved a somewhat widely held theory that a politician who votes his convictions, who refuses to yield to expediency, can't keep his job."

Beermann's plain talk included the statement that the Federal government "can return only what it seizes," which is why every citizen should retain control of as much of his substance as possible. He said greater Federal budgets, of which citizens can only have the remotest knowledge, constitute robbery by confiscation.

"The government pays us $600 a month for not raising wheat, $720 for not raising hogs and $525 for not raising cattle."

—Reamer Keller in the American Legion Magazine

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'Let It Cost What It May'

By FRANCIS E. MAHAFFY

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THE BRIDGE was sturdily constructed and esthetically satisfying. It spanned a deep ravine in the former Italian colony in East Africa. I drove across it recently and my eye caught some words on one of the arches: "Ca Custa Lon Ca Custa." I asked an Italian friend to translate for me. It was a motto, he said, which might be freely rendered as: "Let It Cost What It May." I inquired about the bridge and learned that it had been built in the heyday of Italian expansiveness under Mussolini's fascism. The motto perfectly fitted the imperial mood of Italy in the Thirties, and it comes pretty close to capturing the mood which reigns in every country today—although few governments or individuals are so frank when it comes to putting into words their lack of concern for the way they use other people's money.

Reflect on our space program. No expense is to be spared in the effort to place an American on the moon in this decade. A prominent columnist acclaims the project, even though it may have no military value, for the sake of prestige in the world-wide popularity contest with Russia. It matters not that in the process we may wreck the economy and thus open the gates to the Russification of our society! "Let it cost what it may," for the money comes from the people, and not the government.

This cynical motto is an obvious betrayal of American ideals. The sooner we renounce it, privately and politically, the sooner we may commence restoration of our eroding freedoms.

The Rev. Mr. Mahaffy has served since 1945 as a missionary of the Orthodox Presbyterian Church in Eritrea, East Africa.

'Fight One More Round'

From the Dallas Morning News

Quoted by the Rev. Webb Garrison, pastor of Roberts Park Methodist Church and columnist for the *News*, and attributed to the famous boxer, "Gentleman Jim" Corbett:

"Fight one more round. When your feet are so tired that you have to shuffle back to the center of the ring, fight one more round.

"When your arms are so tired that you can hardly lift them to come on guard, fight one more round.

"When your nose is bleeding, and your eyes are black, and you are so tired you wish your opponent would crack you one on the jaw and put you to sleep, fight one more round—remembering that the man who fights one more round is never whipped."

Labor to Needle JFK

By VICTOR RIESEL

STARTING with August 13th, President Kennedy's temper may rise with the temperature. Some of his best friends and allies are preparing to begin needling him then.

On that day labor's high command will meet in Chicago's Sheraton Hotel. It will put in a long week to officially launch the drive for a national law changing the standard work week from 40 to 35 hours.

There'll be nothing personal in all this pins and needles work—as some union chiefs have already told JFK in conversations inside the White House. Among themselves the labor leaders are saying, "He's a swell guy, but he doesn't move." Or, "He hears but he doesn't listen."

It will take a lot of needling to get the President into action on the 35-hour week. He's opposed to it. He's for 40 hours' work at 40 hours' pay. Furthermore he's on the spot.

The business people are saying JFK clobbered steel, now when is he going to clobber the unions?

There's been a lot of conferring in White House circles and between the White House men and some of the union chiefs. The point made by the inner Administration group is—don't make it necessary for the President to have to speak out.

They don't use the word "clobber." But they—and some of the best public relations brains—ask themselves how do you handle the current wave of strikes, the threats of crippling stoppages and in some areas the go-to-hell attitude? All this is so scattered that the Administration giants would have to go arguing with regional business agents in a hundred cities. Some key strikes now are running into their second month.

At this writing there is one, for example, in its third week in the Northwest, centering around the Seattle-Tacoma area. It has been tying up a cool billion dollars worth of construction—that's all!

This is one most folks outside of that corner of the land have not heard. The ironworkers have hit the bricks. Their demands on the contractors call for a package increase which would run from $30 to $60 a week.

The ironworkers want more money, natch. But they have some other rather intriguing demands. These fellows use their cars a lot to get to the big construction jobs. So one of their demands is for the contractor to pay the parking charge where parking isn't free. Among other things, they're also asking for free lunch and paid time in which to eat after a certain number of hours.

This is a free country. Everybody asks for what they think they can get. But there are 15,000 men involved in that Northwest strike—and new walkouts in the construction field cross-country are developing now.

In some areas the construction people have settled for $35 to $40 a week more over a two-year contract. President Kennedy's line has been punched full of holes by such increased costs which will eat up a lot of the new public works program money intended to make jobs for the unemployed.

JFK has problems enough. That's why his temper may rise with the heat in August.

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QUESTIONS *of the Week*

Because HUMAN EVENTS is under-financed and our staff is overworked, we can no longer give individual answers to the hundreds of questions that come to us each week. In this space, we will endeavor to answer each week the question or questions asked most often which have widest appeal.

QUESTION—I can understand why many people are for the various spending programs and I can understand why many people are against them. What I can't understand is why so many people are indifferent about what is going on.

ANSWER—There was a king of France name Louis XV who once declared, "After me the deluge!" The deluge came during the reign of his grandson and successor, Louis XVI, who lost his head via the guillotine. Most people live to see their grandchildren. The grandchildren will, in most cases, live half a century beyond their grandparents. THEY will have to pay for the huge deficit-spending programs of the present day.

* * *

QUESTION—I frequently read or hear about "cradle-to-grave" security. What is included in this term?

ANSWER—If the left-wing extremists have their way, a strong central government will plan every detail of a citizen's life: planned parenthood, pre-natal care, day nurseries, juvenile delinquency control, a youth conservation corps, college scholarships, unemployment compensation and old-age pensions.

Capitol Hill Comment

ADMINISTRATIVE DOUBLE STANDARD—"[Billie Sol] Estes was not prosecuted for $500,000 in cotton acreage juggling penalties until the scandal broke. Contrast this with treatment of an Amish farmer [in Pennsylvania], whose horses were seized and sold last year to satisfy a claim of $308 owed in social security payments." (*Congressman Edgar W. Hiestand, California Republican*)

* * *

THE STEAMROLLER—"If you want to know how it feels to be run over by a steamroller, stand up in the House of Representatives and try to cut Federal spending." (*Congressman Frank T. Bow, Ohio Republican*)

* * *

DEFINITION OF TAXPAYER—" . . . one who doesn't have to pass a civil service exam to work for the government." (*Congressman Carroll D. Kearns, Pennsylvania Republican*)

It's Your Money

From the Indianapolis News

The Empire State Building in New York City is looked on as one of the great wonders of modern civilization.

But, did you know it would take 167 Empire State Buildings to supply enough office space for the Federal government? And that does not include the warehousing, defense installations and other space used in government operations.

JFK's Favorites

The National Broadcasting Company's Huntley-Brinkley news program is the one TV program that President Kennedy tries not to miss, according to the White House press section.

Medicare in Britain

This interesting report about socialized medicine in Great Britain was entered recently into the *Congressional Record* by Representative Frank C. Osmers, Jr., (R.-N.J.). It was written by Mrs. Carroll A. Dayharsh, a registered pharmacist who has been active in various public and private groups studying medical care and other civic problems in New Jersey. The report said in part:

"Lenin's influence on the West made itself felt after World War II. His ideological influence, embodied in the Beveridge Plan of 1943, brought socialized medicine in the British Isles and has since spread throughout Europe, Latin America and is now threatening our own land.

"This fall I was privileged to get some first-hand information on the National Health Program as it operates in Great Britain. When this became law in England in 1948 it promised free medical, hospital and dental care, free drugs, and other appliances. It really covered the gamut of health care in and out of the hospital for everyone, and was to have cost a modest 170 million pounds a year. This figure doubled in the first year, and in 1958, 10 years later, the National Health Service cost soared to 707 million pounds, quite a jump from the original estimate, almost five times as great. This free service is costing each British family about $140 a year.

"The human element, the 'something-for-nothing' desire, brought a tremendous increase for medical care, for drugs and for hospital beds. All this increased medical care should have reduced the amount of sickness, but instead there was a 50 per cent increase in absenteeism with corresponding claims for loss of wages.

"The irony of the situation becomes apparent when you realize that in 1956 Britain paid 1 million pounds ($2,800,000) for bottles in which to put free medication and only $75,000 for mental health research. As one Britisher put it, 'Floods of money feed the insatiable appetite for pills, while fundamental medical research is largely neglected.'

"What about mounting bureaucracy? One out of every 100 Britishers (400,000) is employed by the Ministry of Health, 2½ clerks for every doctor in the British Isles. In the United States, a government-operated medical system would on that basis call for additional employment of 1,740,000 clerks, and it would call for an office building that would make the Pentagon look like an ant hill next to a mountain by comparison."

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The 24th Amendment

From the New York Daily News

Another *News* reader—Harry E. Warren of Manhattan—writes in to suggest that we explain the proposed 24th Amendment to the Constitution, in this time of widespread worry about enormous spending by the US government. Glad to oblige.

The so-called Liberty Amendment has now been approved by six states—Georgia, Louisiana, Nevada, South Carolina, Texas, Wyoming—and if 28 more of the 50 states approve it, Congress will be legally obligated to call a constitutional convention for the purpose of submitting the proposed change to the state legislatures. Ratification by ¾, or 38, of these, would nail the amendment into the Constitution.

Willis E. Stone, National Chairman of the National Committee for Economic Freedom, sponsor of the 24th Amendment.

The Liberty Amendment requires that the US government get out of competition with any kind of private enterprise . . . that no laws or treaties shall weaken the amendment . . . and that three years after the change's ratification the 16th [Federal income tax] Amendment shall stand repealed and the government shall cease to levy taxes on personal incomes, estates and/or gifts.

As anyone can see, this is a very drastic proposal. Whether it has a ghost of a chance of ever being adopted, we don't know. But it is being talked about more and more as time goes by and tax gouges take more and more money from the people for politicians to spend.

In publicizing the Liberty Amendment, we consider that the *News* is performing a needed public service.

100 Years of USDA

By Congressman James A. Haley (D.-Fla.)

JUST 100 YEARS AGO last month, President Lincoln signed a bill creating a Department of Agriculture to "acquire and diffuse" information designed to promote agriculture. To do the job he named a man named Isaac Newton, who borrowed a couple of rooms from the Patent Office and hired about 30 hands. Mr. Lincoln should see the result of his signature today.

The Agriculture Department now sprawls all over the world. Its budget for the new fiscal year is set at $5.8 billion, and it will spend much more. It has more than 90,000 employes—about one for each 40 farmers—and is growing fast. The number of farms and farmers in the United States has been dwindling steadily—but the Agriculture Department gained 3,700 employes last year alone.

Next to the Defense Department, the Agriculture Department occupies the most office space in the Federal government. It has the biggest payroll, except for the State and Post Office Departments. It "acquires and diffuses" information by the ton, on everything from infant care to African violets—and on some things you would not believe if you did not see its bulletins. But that now is merely a sideline. It carries on immense research programs, with more than 600 field stations for this purpose alone—and we in Florida benefit from some of these programs and are the home of some of these stations.

But the Department does more than this. It fixes prices, controls acreage, tells farmers what to plant and where and how much. It owns a vast hoard of "surplus" crops and while it is constantly selling these in huge quantities at great loss to the taxpayers, and giving away great volumes of foodstuffs, it is day by day acquiring and storing, also at great loss to the taxpayers, far more than it can get rid of.

Along with its expansion, the department has rapidly increased its power over the nation's economy and over millions of its citizens—and Secretary Freeman even now is asking for more.

We have here an example of the basic fallacy in the economic control philosophy—the idea that the government can determine human needs better than a free market. The result of this is misuse of power, petty favoritism, outright corruption, wasteful production and continued low farm prices.

And another result, as the Agriculture Department winds up its first century, is the Billie Sol Estes case.

Governments Can't Farm

From the Chattanooga News-Free Press

Brief but strikingly penetrating is an observation by the *Farm Journal* on a situation which has long befuddled politicians.

"For nearly 30 years," notes the publication, "the US government has tried to reduce farm output to certain levels, and has failed.

"For more than 40 years the Russian government has tried to raise farm output to certain goals, and has failed.

"Before long," suggests the *Farm Journal*, "someone may conclude that governments can't farm."

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US Plans to Block Right to Produce

Dairyman Tells How Farm Measure's Rigid Controls Would Stunt Business

By ERNEST L. HARRIS

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WE HAVE ONE PURPOSE in our business: to make money. We know we will succeed only if we produce a suitable product at the right price to attract buyers. You know this is as true in your ousiness as it is in mine.

But my business faces real trouble. Federal government planners are now pushing a massive new program to freeze production and dry up incentive.

If this program is enacted, we may end up with an unsuitable product at the wrong price.

I'm in the dairy business, a $10-billion industry with operations in every state. Our particular farm covers 416 acres in Oldham County, just northeast of Louisville.

The government's new plan for rigidly controlling production in the dairy industry is part of a sweeping proposal for reshaping the whole farm economy over the next decade. US Agriculture Secretary Orville Freeman and his fellow farm officials want to experiment with a theory they call by the high-sounding name of "managed abundance." My word for it is "regimentation."

You may have your own word for government-controlled production and prices. The stated goals of the Federal planners are most worthwhile. They say they aim to do two things: Cut in half the current $2.5-billion spending for farm price supports and other income-boosting schemes, and raise farmers' income.

Their shock-treatment approach will surely be felt in many other parts of the US economy, possibly including your own business.

FOR A NUMBER OF REASONS I'm convinced their farm plan won't work, if Congress should be talked into passing it. I hope the lawmakers will reject it flatly. But they will have to cut through the frosting Mr. Freeman has coated on his proposals.

He holds out the promise that under his program efficient farmers will be able to earn as much as people in other operations with similar resources and energy. We've heard this promise before. It's developing a hollow sound.

I am active in farm and dairy organizations and I make a point of keeping up with what the politicians are promoting. I'm not an alarmist, but I can see clearly what the new farm measure would mean to my own business.

What concerns me most is the long-range mandatory control plan for these surplus crops or commodities: wheat, feed grains, turkeys and dairy products.

I am aware of the dairy industry's problems of oversupply. I am aware of the awkward situation the government has got itself into through its subsidy program to support prices. The dairy industry is in a squeeze between rising production and falling consumption.

Because milk is so perishable and can't be stored, the Federal subsidy program supports milk prices indirectly by buying manufactured dairy products, such as dry milk, butter and cheese. The rate of purchases has been soaring. Spending in the current fiscal year will reach $500 million, the Agriculture Department estimates.

This is a high enough figure to make even the government jittery. So Secretary Freeman is asking Congress to give him power to set quotas on milk producers based on what they produced in 1961 or some other period if he chooses.

This means he could set a limit on output, which would penalize growing businesses. As a dairyman under this program, the only way I could grow would be to find some other farmer who wanted to sell out and hope the government approves the sale.

Two-thirds of the commercial milk producers voting in a referendum would have to approve this rigid program to put it into effect. But here's the catch: If dairymen don't vote for the control program, Secretary Freeman can set dairy price supports at almost any level he decides from zero up to 90 per cent of parity, with a maximum total of $300 million to be spent by government. That's quite a drop from this year. Also a referendum tends to bring out those in favor of a program, not those against it.

For most dairymen that would be a choice about like having a surgeon in the middle of an operation wake you and ask if you want him to finish or leave you opened up. Not that I'm for price supports. But since the government surgeons have got us opened up and dependent, they should eliminate these supports gradually until the free-market forces of supply and demand will work.

RAISING PRICE SUPPORTS just means lower prices and less income eventually because higher prices bring oversupply. I've seen it happen. Look at what

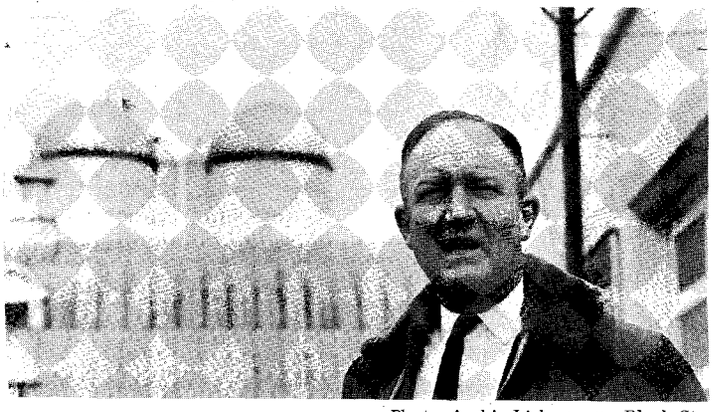

Photo: Archie Lieberman—Black Star

The author, Ernest L. Harris, is a Kentucky-born dairyman and farmer. He is a former president of both the Oldham County Farm Bureau and Oldham County Milk Producers Federation. Mr. Harris is now state chairman of the Blueprint for Kentucky Agricultural Progress Committee, chairman of the Kentucky Farm Bureau Dairy Committee and a director of the State Farm Bureau. He also is a member of the American Farm Bureau Dairy Advisory Committee.

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occurred after the latest increase in dairy price supports. In 1960, the support price for 100 pounds of milk was $3.06. Secretary Freeman raised the support price to $3.40. The price I got for milk began to drop below the corresponding months of the previous year as production increased and oversupply forced the price in the market to drop. Finally, in December, 1961, I got a gross market price that was more than 10 per cent less per 100 pounds that I got for the same month in 1960 before the government had overstimulated production.

Of course, if the Federal government sets production quotas for milk and sharply cuts the supply, prices probably will go up if the demand holds. Whether income goes up, though, will depend largely on how well we can keep rising costs in line and whether consumption holds up.

Nowadays you have to produce more just to keep income where it is. My 1961 production was 556,000 pounds of milk, compared with 464,000 pounds in 1957, a 20 per cent increase. Gross income in 1961 was only 5.4 cent higher than in 1957, whereas expenses in 1961 were 21 per cent higher than for 1957.

Under the proposed new milk production control law, the Secretary of Agriculture would set a national marketing allotment. This would be the quantity of milk he thinks will be needed to meet domestic commercial needs, donations to welfare programs, export requirements and foreign aid. Each producer would get a slice of that allotment, depending on what his base is. And his base is to be fixed in line with his past output.

If a producer goes over his base or quota—in other words if he is an efficient manager or can't get his cows to stop giving milk when the government says "stop"—he must pay a penalty. This penalty is to be called a surplus marketing fee. It would be up to $2.75 a hundred pounds. The milk processor would pay the fine, but he would collect it from each producer. With a penalty fee at this rate you would lose money on any amount marketed above your production quota.

The only way a producer could increase his production and remain a healthy and growing business operation would be to buy other producers' production bases or quotas. The proposed law permits this. But the law also would permit the Secretary of Agriculture to buy any bases that were for sale. He could cancel these bases, or he could redistribute them. This would give him the power to enrich one area at the expense of another.

To live under this law, I would have to try to buy new bases on the open market by bidding against my neighbors and the government, even though I would have to sell my milk in a government-controlled market.

If the law is passed and dairymen vote for allotment controls, price supports would be paid at a level that would cost no more than $300 million a year, plus the total of surplus marketing fees collected from the efficient producers who went over their Federally-set limits. So, under the allotment system, dairymen would get higher price supports if enough people violate the rules by producing more than their bases and paying fines.

FOR ME TO STAY in business, I know I would have to buy enough allotments to boost my production base tremendously. One reason is this: For small farmers, the law allows the Secretary of Agriculture to set minimum allotments that cold not be reduced. If the limits were set to apply to farmers with only one cow, for example, that would take in nearly one fourth of the farmers in Kentucky. So producers owning more cows would have to absorb the brunt of the reduced national production quota that would be set. You can see where I would be with 43 Holstein cows and 30 head of young stock.

If one of my sons decides he wants to have his own dairy farm he would have a hard time getting started. It would not be possible for a young man to work into the dairy business by buying heifer calves and raising them to maturity. He first would have to find someone willing to sell him a production base giving him the right to produce and then find financing for this sizable purchase.

In deficit milk producing areas, where milk is brought into a community from many miles away, milk producers who produced more than their allotments would have to pay the penalties of marketing fees for overproducing even though there was a local demand for the milk.

I don't believe in looking backward, but you have to look back at lessons that have been learned in the past to guide you in the future.

My experience has been that, when the government tries to influence production, it has a bad effect. A few years ago, I got $1 a pound for wool from my sheep and about $26 per hundredweight for lamb. The government then decided we should have more production. So it established a system of compensatory payments. The price I got after that for wool fell to about 58 cents a pound and lamb dropped to about $17 a hundredweight.

Even in tobacco—which I also have grown for years—we're still trying to improve the government allotment program after a generation. Though allotments are placed on tobacco, the restriction is not on poundage as it would be under the milk control program. So some room is left for incentive and intiative to improve your poundage on your allotment.

Unlike milk, tobacco improves with age. It can be stored when taken out of production and sold over a period of time so that sales don't disrupt the market. Individual acreage in tobacco is small. So when land is taken out of production and transferred to other crops, this doesn't tend to create a sudden surplus in the alternative crop.

Finally, tobacco has no substitute. Butter, on the other hand, has a competitor in oleomargarine. That is the major reason why the government has had to buy about 400 million pounds of surplus butter the past year.

I AM CONVINCED that if the government gains control of milk production, it will not let go. There may be Federal programs that were started in the past and that have now been given up, but I don't know of any.

What is fundamentally wrong with the big new proposal in agriculture is that it would weaken individual incentive. A man needs to be motivated to accomplish something. He can be moved by expected rewards. He can be moved by the challenge of trying out his own way of operating to get results. Or he can be coerced. The government way is coercion—the worst way to motivate a man.

In the case of the milk production controls, the government pressure would be to produce less. This is in direct contrast to the natural desire to produce more. I have always tried to outproduce others. There are no limits on my production goals. I'm shooting for 15,000 pounds milk production per cow. If I get that, I'm shooting for 20,000.

If the government restricted my production to a set base and I knew exactly what it was going to be, and that this was what I'd be paid for, there would be no challenge even if I was assured of being paid. If I wanted that kind of security, I could find it in jail.

Life under such controls, I am sure, would weaken a man to such an extent that government soon would be making all of his decisions for him. No man in any business wants that.

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Vote No.	1	2	3	4
REPUBLICANS				
Aiken, Vt.	—	—	+	—
Allott, Colo.	+	+	+	—
Beall, Md.	+	+	+	—
Bennett, Utah	+	+	+	+
Boggs, Del.	+	—	+	—
Bush, Conn.	0	—	+	—
Butler, Md.	0	+	+	—
Capehart, Ind.	+	+	+	+
Carlson, Kan.	+	—	+	—
Case, N. J.	—	—	—	—
Case, S. D.	p+	a—	p+	p+
Cooper, Ky.	—	—	—	—
Cotton, N. H.	+	—	+	—
Curtis, Neb.	p+	+	+	+
Dirksen, Ill.	+	—	+	—
Dworshak, Idaho	+	+	+	+
Fong, Hawaii	+	+	+	—
Goldwater, Ariz.	a+	+	+	+
Hickenlooper, Iowa	+	—	+	—
Hruska, Neb.	+	+	+	+
Javits, N. Y.	—	—	—	—
Keating, N. Y.	+	—	+	—
Kuchel, Calif.	+	—	+	—
Miller, Iowa	a+	—	+	—
Morton, Ky.	0	—	p—	—
Mundt, S. D.	+	+	+	+
Murphy, N. H.	+	0	p+	p—
Pearson, Kan.	+	—	+	—
Prouty, Vt.	—	—	+	—
Saltonstall, Mass.	—	—	—	—
Scott, Pa.	+	+	+	a—
Smith, Me.	+	+	+	—
Tower, Tex.	+	+	+	+
Wiley, Wis.	+	—	—	—
Williams, Del.	+	+	+	+
Young, N. D.	+	—	+	+
SOUTHERN DEMOCRATS				
Byrd, Va.	+	+	+	+
Eastland, Miss.	+	+	+	+
Ellender, La.	+	+	+	+
Ervin, N. C.	+	+	+	+
Fulbright, Ark.	0	0	0	a—
Gore, Tenn.	—	—	—	—
Hill, Ala.	+	+	—	—
Holland, Fla.	+	—	—	—
Johnston, S. C.	p+	p+	p+	p+
Jordan, N. C.	+	+	+	+
Kefauver, Tenn.	p—	—	—	—
Long, La.	+	+	—	+
McClellan, Ark.	+	0	0	p+
Robertson, Va.	+	+	0	+
Russell, Ga.	+	+	+	+
Smathers, Fla.	+	—	—	—
Sparkman, Ala.	—	—	—	—
Stennis, Miss.	+	+	+	+
Talmadge, Ga.	+	+	+	+
Thurmond, S. C.	+	+	+	+
Yarborough, Tex.	+	—	—	—
NORTHERN DEMOCRATS				
Anderson, N. M.	+	—	—	—
Bartlett, Alaska	+	—	—	—
Bible, Nev.	p+	0	0	p+
Burdick, N. D.	0	a—	a—	p—
Byrd, W. Va.	+	—	—	—
Cannon, Nev.	+	—	—	—
Carroll, Colo.	—	—	—	—
Chavez, N. M.	—	—	p—	a—
Church, Idaho	+	—	—	—
Clark, Pa.	p—	—	—	—
Dodd, Conn.	+	+	+	—
Douglas, Ill.	+	—	—	—
Engle, Calif.	+	—	—	—
Gruening, Alaska	+	+	—	+
Hart, Mich.	—	—	—	—
Hartke, Ind.	+	+	—	—
Hayden, Ariz.	+	—	—	—
Hickey, Wyo.	+	+	—	+
Humphrey, Minn.	0	—	—	—
Jackson, Wash.	—	—	—	—
Kerr, Okla.	—	—	—	—
Lausche, Ohio	+	+	+	—
Long, Mo.	+	+	—	—
Long, Hawaii	—	—	—	—
Magnuson, Wash.	+	—	—	p—
Mansfield, Mont.	—	—	—	—
McCarthy, Minn.	—	—	—	a—
McGee, Wyo.	—	—	—	—
McNamara, Mich.	0	a—	a—	a—
Metcalf, Mont.	—	—	—	—
Monroney, Okla.	—	—	—	—
Morse, Ore.	a—	p—	0	p—
Moss, Utah	—	—	—	—
Muskie, Me.	—	—	—	a—
Neuberger, Ore.	p—	—	—	—
Pastore, R. I.	a—	a—	p—	a—
Pell, R. I.	—	—	a—	a—
Proxmire, Wis.	+	+	+	—
Randolph, W. Va.	p—	—	—	—
Smith, Mass.	—	—	a—	—
Symington, Mo.	+	—	—	—
Williams, N. J.	—	—	—	—
Young, Ohio	+	—	—	—

Four Key Votes

Senate Roll Calls On Foreign Aid

The table shows how the Senate voted on the $4.3-billion foreign aid authorization, as well as the votes on three important amendments. After having agreed to the Lausche Amendment, which barred aid to Communist-dominated nations, the Senate reversed itself and voted to exempt food from the ban.

An amendment to prohibit aid to any country exporting arms or strategic materials to any country dominated by the Soviet Union failed by five votes.

What Was Voted

Vote No. 1—Lausche Amendment, barring aid to any country known to be dominated by communism or Marxism. Agreed to, 57 to 24. (YEA, +; NAY, —.)

Vote No. 2—Mansfield-Dirksen Amendment, providing that the ban against aid to Communist-dominated countries (Lausche Amendment) shall not be deemed to prohibit shipment of foods thereto if: (1) recipient country is not participating directly or indirectly in any program for Communist world conquest, (2) recipient country is not controlled by any country promoting Communist world conquest, (3) furnishing of such aid is in the interest of US national security, and (4) the President notifies Congress of his intention to furnish such assistance. Agreed to, 56 to 34. (NAY, +; YEA,—.)

Vote No. 3—Cotton Amendment, barring aid to any country which exports arms or strategic materials to any country dominated by Soviet Russia. Rejected, 40 to 45. (YEA, +; NAY, —.)

Vote No. 4—Final passage. Passed, 61 to 23. (NAY, +; YEA, —)

Key to Symbols

+ Voted Right.	a+ Announced Right.
— Voted Wrong.	a— Announced Wrong.
p+ Paired Right.	0— Not voting, paired or announced.
p— Paired Wrong.	

For an over-all understanding of the United States' foreign aid program for Yugoslavia and Poland, read "Communist Aid to Eastern Europe" by Professor Richard F. Staar, pages 469-472, Section VI.

Why Aid the Reds?

By Congressman John Dowdy (D.-Texas)

Our policy should be to encourage enslaved peoples behind the Iron Curtain. As long as we are making gifts to Communist dictators, those enslaved people will not believe we are sincere in our opposition to communism. We cannot come to grips with the Communist menance while we are continuing to strengthen it. The people who are enslaved know this only too well.

The most needed and most obvious way to bolster our defense and our threatened economy is to stop strengthening the Communist dictators with foreign aid, and use the money for our own people and for our purposes.

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Airmail Your Reservations Now! Only Fourteen Days Remaining.

. . . How Members of Citizens' Groups Unite to Win . . .

is among more than two dozen features to be presented at the

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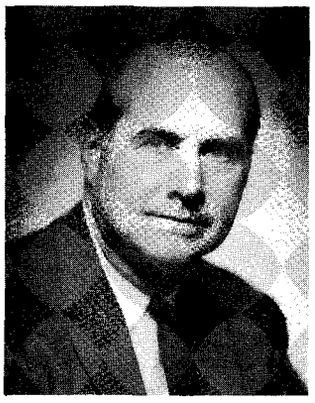

MILLIGAN

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Human Events POLITICAL ACTION CONFERENCE WASHINGTON, D.C.

July 13 - 14, 1962, Washington, D. C.

Forces outside the two major parties can help win conservative victories—when effectively mobilized. A panel of three people will discuss, from their personal experience, ways in which such activity has been successful.

• Desmond Barry, Houston, Texas, trucker and Republican candidate for Congressman at Large in Texas, will tell of the "Resignation Rallies" in Texas, at which thousands of former Democrats, including himself, resigned from the party which has deserted the principles of Thomas Jefferson, and registered as Republicans.

• Fred J. Milligan, Executive Secretary of the Ohio Information Committee, will tell how to find independent conservatives, get them registered and then get them to vote for conservative candidates.

• Mrs. J. Milton Lent of Savannah, Georgia, will tell how, immediately after the First HUMAN EVENTS Political Action Conference, she helped to spearhead the organization of "The Conservatives." She will explain how to develop understanding and bipartisan support for the conservative cause.

Among the other principal speakers will be: Senators Barry Goldwater, Harry Byrd and John Tower; Congressmen William Jennings Bryan Dorn, John Anderson, John Ashbrook, Donald Bruce, Edward Derwinski, Catherine May and John Rousselot; and other outstanding authorities on matters concerned with victory in the 1962 congressional elections.

People in several communities have invited local editorial writers to attend the fourth HUMAN EVENTS Political Action Conference as their guests. Plan now to invite a member of your local paper's editorial-writing staff to attend the Conference with you.

Airmail This Reservation Form Today

HUMAN EVENTS 410 First Street, S. E., Washington 3, D. C.

Please make the following reservations at the HUMAN EVENTS Conference, July 13 and 14, 1962:

The Conference fee of $75 includes three meals on each day. The fee for additional members of the same immediate family (wives, sons and daughters) and for students, teachers, clergymen and members of YAF and ISI is $45. All fees will be returned in full if you cannot attend, whatever the reason.

Special room rates, $10 for single and $15 for double, have been arranged at the Sheraton-Park Hotel.

☐ Check enclosed.
☐ Bill me after July 31 in the amount of $.....

My Name.....☐ Meat
Address.....☐ Fish
City.....Zone.....State.....

Name.....☐ Meat
Address.....☐ Fish
City.....Zone.....State.....

Name.....☐ Meat
Address.....☐ Fish
City.....Zone.....State.....

Name.....☐ Meat
Address.....☐ Fish
City.....Zone.....State.....

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JFK Myths and Legends

From the Washington Daily News

Then the Gods of the Market tumbled and their smooth-tongued wizards withdrew,

And the hearts of the meanest were humbled, and began to believe it was true

That all is not Gold that Glitters and two and two make four—

And the Gods of the Copybook Headings limped up to explain it once more.

* * *

THESE LINES by the late Rudyard Kipling, deploring the fact that we never learn, come to mind while reading the speech of President Kennedy, June 11 at Yale.

He referred to the "cliches of our forebears" which distract us from action. The worlds of Calhoun and Taft, he said, were quite different from this one. Such issues as the disposal of public lands, nullification or union, freedom or slavery, gold or silver, "have largely disappeared."

We submit that only the names have changed. The issues are with us yet under such designations as farm relief, desegregation, communism and inflation. And the fundamental principles which underlie them all have not changed.

No one any longer argues seriously for the free and unlimited coinage of silver at the ratio of 16 to 1. William Jennings Bryan's political fortunes ebbed with boredom over that particular phrasing of the question.

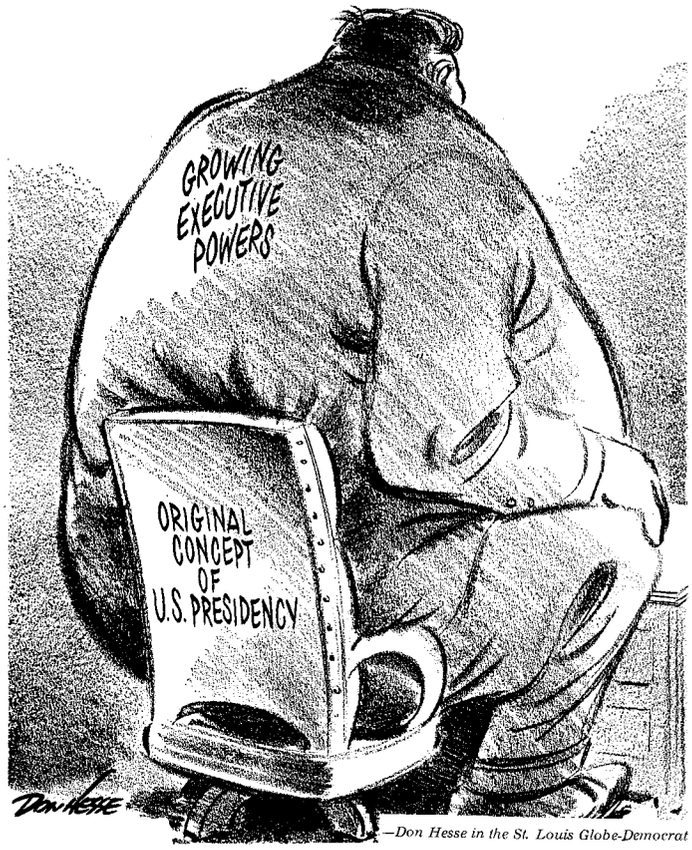
But those who thought they could create money by passing a law as to silver are succeeded by a generation of economic theorists who would pass the same kind of miracles without even the silver.

IT IS A MYTH, the President insisted, that Federal deficits create inflation. He should tell that to the Germans who remember when a million marks wouldn't buy a sausage. Or the French, whose 20-cent francs finally were worth two-tenths of a cent, or the Italians, the Greeks, the Romans, or anyone else who ever resorted to the printing press to pay the public bills, as we have in effect been doing off and on for the last generation.

None of these governments which are still in existence will try it again, at least not until new generations have had time to forget as, in Kipling's words, "the burnt fool's bandaged finger goes wobbling back to the fire."

JFK: '. . . incantations of the forgotten past.'

Overgrown



—Don Hesse in the St. Louis Globe-Democrat

Sizable budget surpluses after World War II did not prevent inflation, President Kennedy said. These surpluses were minute compared to vast wartime debts. The pre-war dollar now buys less than 50 cents' worth.

Persistent deficits for the last several years have not upset our basic price stability, the President continued. Yet prices still are headed up, according to the government's own figures.

And that, by no means, is all. The mere interest on our $300-billion debt amounts to $9 billion a year, increasing by $30 million or more with each added billion of debt. If we had that $9 billion back it would be enough to cut income taxes 15 per cent, or corporation taxes almost in half.

Times have changed, but not that much. Anyone who habitually spends more than his income is headed for trouble, maybe sooner, maybe later. If the President thinks it is different for governments, let him reflect on the experiences of some of the countries mentioned above.

Once it was the royal alchemists who labored to make gold out of base metals. Even here times haven't changed materially. The Presidential economists still are at it, substituting paper for lead and charts for cauldrons. The objective still is something for nothing. It is no great credit to Mr. Kennedy that he pays them so much mind.

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Sevareid: Second Thoughts on Foreign Aid

Columnist Eric Sevareid foresees that this is the last year the United States' foreign aid program will emerge from Congress in roughly the shape and size proposed by the President.

In a recent column, Sevareid noted that some of the nation's "best minds" are beginning "to ask themselves what the purposes of foreign economic and military aid really are, after all." The liberal columnist continued:

"It is a fact that, in Washington's recurrent agonies with spot crises around the world, in its acrimonious involvement with the personnel, budgets and methods of the foreign aid agencies, Washington has not in years asked itself this first and fundamental question.

"It has merely assumed. It has assumed that charity is materially good for the receiver and morally good for the giver—the most defensible of all arguments for foreign aid. But it has assumed, more importantly, that foreign aid produces economic growth in backward lands, that economic growth produces trends toward democratic freedoms, that democracy tends toward peace and that peace in these areas enhances America's national security.

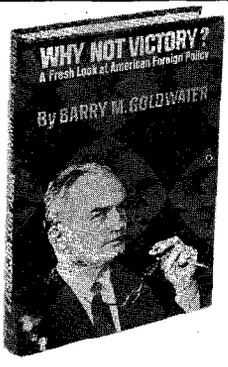
"These concepts have been articles of unquestioned faith—until now. Without adding unqualified indorsement to the arguments made, I do wish that every interested citizen and every congressman could study four essays on foreign aid recently published by the Public Affairs Conference Center of the University of Chicago. They might pay particular attention to the cold logic of Edward C. Banfield, who goes so far as to suggest that a policy of no foreign aid at all would better serve the hard-core interests of our national security, if not our moral sensibilities.

"We are all obliged, it seems to me, to take an unblinking look at the estimate of P. N. Rosenstein-Rodan, who assumes for purposes of forecast absolutely optimum conditions and then concludes that if the backward countries got all the aid they could absorb, used it well, and if their populations increase by one-fourth in the next 15 years, the average personal income in those countries would be increased by no more than $50 a year.

"We have to ask ourselves why we assume that intervention by foreigners in totally alien cultures can produce economic levels, political institutions and social mores in 10 or 20 years of the kind produced in Western societies only after many generations.

"We have to ask ourselves why we think we can produce even a respectable fraction of such results in lands where we have no enforcement powers, when we cannot elevate life in the West Virginia mining areas or get on top of the problems of poverty, illiteracy, crime and crowding that are swamping our welfare planners.

"And, as a teaser, we might ask ourselves why the one big country in Latin America that seems to be progressing in stability—Mexico—not only accepts none of America's foreign aid but refuses to accept it."



Next Week

. . . A chapter from Senator Barry M. Goldwater's book, *Why Not Victory?*

Hiestand Gains from Write-Ins

Edgar Hiestand has a better chance for re-election to Congress in November from the new 27th District in Los Angeles County as a result of the write-in campaign waged in his behalf by Democrats for Hiestand. Every Democrat in the district has become Hiestand-conscious. The number of Democrats willing to vote for "The Congressman with the courage to vote 'No'" has increased.

HIESTAND

The outlook for the five-term Republican once looked bleak because the Democratically-controlled Legislature gerrymandered his district to give it 100,000 registered Democrats as against 60,000 registered Republicans. (See "Hiestand May Win BOTH Party Nominations," HUMAN EVENTS, June 2, 1962.)

The actual number of Democratic write-in votes Hiestand received June 5 will not be known for several weeks, California sources say.

Winner of the Democratic primary was Los Angeles Councilman Everett Burkhalter, a former State Assemblyman who met Hiestand once before in an election campaign. This was in 1952 when Hiestand first was elected to Congress.

Burkhalter was the recipient of strong labor support. He polled more votes than the Hiestand forces thought the No. 1 man in the crowded Democratic field would get. Burkhalter's victory, however, left scars in Democratic ranks and the key questions now in California's 27th Congressional District are whether (1) all Democratic factions will support him over a five-term veteran and (2) whether voters who chose Hiestand over Burkhalter ten years ago will this time vote liberal.

CANNON ON SPENDING—"It is not the necessary defense and security expenditures that have unbalanced budgets, and hiked the national debt, and inflated the dollar, and precipitated the outflow of gold. It is the nondefense items." (*House Appropriations Committee Chairman Clarence Cannon, Missouri Democrat*)

AWAKENING WITH A BANG—"The stock market crashed at the time of President Eisenhower's heart attack because the people did not know what his possible successor might do. Now it has crashed again because they have found out." (*Letter to the Chicago Tribune by H. F., Wilmette, Illinois*)

Reprints of this section are available: Single copy 20 cents; 10 for $1; 25 for $2; 100 for $5; 500 for $20; 1,000 for $30. Order by section number and date of issue.

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Clement Tied to Estes

Tennessee GOP Muffs Big Chance

By FULTON LEWIS, JR.

THE REPUBLICAN PARTY has blown a golden opportunity to make political hay out of the Billie Sol Estes scandal. It came in Tennessee, where voters this year will elect a governor.

CLEMENT

The incumbent Governor, Buford Ellington, is constitutionally prohibited from succeeding himself. Former Governor Frank Clement, keynoter of the 1956 Democratic Convention, appears almost certain to garner his party's nomination. He has two primary opponents, but they are not given much chance of victory. The Republicans will not run a candidate.

A GOP candidate could have fully documented the financial ties that bind Clement to Estes. The two have been bosom buddies since 1953, when both were named to the list of "ten outstanding young men" by the Junior Chamber of Commerce.

Records seized by Texas Attorney General Will Wilson show that Estes listed Clement as a partner in two business enterprises—one located in Texas, the other in Arkansas—and that a share of the profits and losses was apportioned to him.

The records also indicate personal correspondence between Clement and Estes while the former occupied the State House in Nashville. When Clement left the Governor's Mansion, in early 1959, he was given a new automobile that Estes helped to buy. A letter dated February 25, 1959, from Clement told Estes: "I can never tell you how very delighted we are with the wonderful new automobile. Since we had not purchased a personal car, certainly no gift could have been more welcome."

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The Byrd Philosophy

I just go my regular course. All that I'm doing now is just a continuation of what I've always done. In the main I voted against Roosevelt—except on war questions. I voted against Truman, and I certainly voted against Eisenhower on economic matters. What I try to do is to ignore party lines completely and vote my best judgment. I don't claim to have any special virtues at all. I just vote for what I think is right.

—Senator Harry F. Byrd (D.-Va.), quoted in Time Magazine

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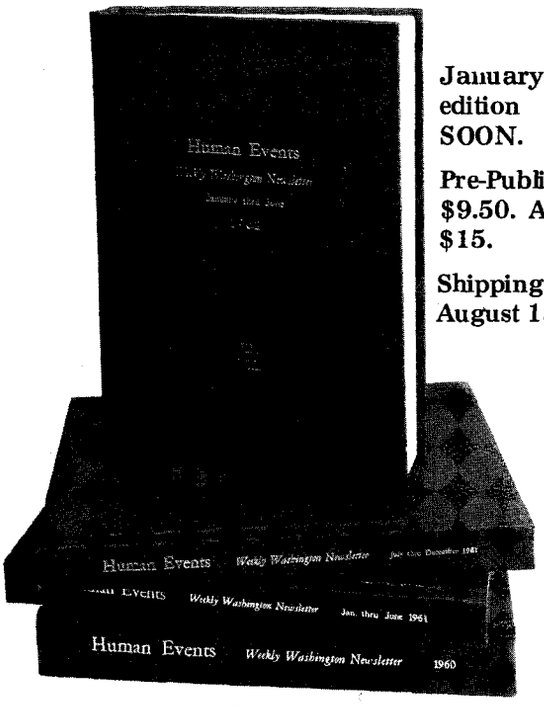

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Warren Court Rapped Again

From the New York Daily News

On one of its beloved technicalities, the Earl Warren Supreme Court May 21 reversed the convictions of six men of contempt of Congress in refusing to tell congressional committees about alleged Communist connections.

This moved the highly-respected Senator John L. McClellan (D.-Ark.) to state publicly that (1) Congress no longer can depend on the courts to punish stubborn witnesses, so (2) both houses henceforth, for their own protection, should levy their own penalties.

They can do this by arresting and holding such witnesses as long as a congressional session lasts.

We'll second the McClellan motion, heartily—and add that it is as blistering a commentary on the Warren Court as we've seen in months if not years.

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What Papa Kennedy Said
(December 5, 1945)

From the Chicago Tribune

If the President of the United States can support his meddling in the steel industry by quoting derogatory remarks which Joseph P. Kennedy is reported to have made about businessmen, we are at least as entitled to quote what the senior Mr. Kennedy actually did say about businessmen—and especially about meddlesome governments.

KENNEDY

The former Ambassador to Great Britain spoke to members of the Economics Club of Chicago on December 5, 1945, and addressed himself particularly to a suggestion by Harold J. Laski, British Socialist, that the United States should trade in its free economy for some brand of socialism. Let Mr. Kennedy speak for himself:

"How can Laski have the gall to assert that capitalism is dead when the British empire has been saved twice in 30 years by the capitalistic United States? I know Laski and he is an arrogant apostle of anarchy. . . . "

Mr. Kennedy warned that the United States was in danger of stumbling into some form of socialism. "Whether we keep our free economy or trade it for something about which we know very little," he said, "is the big political issue ahead.

"It is up to businessmen to sell our economic system to the public. They must do as good a job on that as they do on their own products. Unless the advantages of our system over others are brought home to everyone, there is no reason to believe that the trend toward more and more government will be checked. . . .

"It is the last chance for those who believe in our system of constitutional government. We must win now or the cause is lost."

It was the uninformed people, Mr. Kennedy said, who were ready to believe the charges of smear artists against businessmen.

There isn't much to add except to note that the big political issue is more threatening than ever; that the present occupant of the White House is constantly plugging for more and more government, and that in the process he has indulged in the smearing of businessmen.

In the authentic opinion of Joseph P. Kennedy, therefore, the President is a smear artist and an uninformed and arrogant apostle of anarchy.

Another Joe Kennedy View

You are entirely in the hands of the government when it comes to finance.

You can know trends and the principles of the stock market, you can work out charts and tables, and in five minutes someone in Washington is going to knock you into a cocked hat.

Joseph P. Kennedy, as quoted by Roger Spear in the San Francisco Examiner, 1952.

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We Help Our Enemies

Foreign Aid to Communist Eastern Europe

By RICHARD F. STAAR

THE US SENATE, a little over one year ago, passed by a vote of 43 to 36 a measure which provided the President with authority to grant foreign aid, at his discretion, to Communist regimes in Eastern Europe.

Even prior to this action, the United States government had provided well over $2 billion in assistance to Communist Yugoslavia as well as almost half-a-billion dollars to Communist Poland. Toward the end of last year, the Administration tentatively had approved plans for equipping Communist Czechoslovakia with atomic radiation devices, ostensibly for use in medical research but reportedly having definite military potential.

According to Glenn T. Seaborg, chairman of the US Atomic Energy Commission, the AEC voiced no objection to the export license for Czechoslovakia, a country which officially proclaimed the attainment of socialism in a newly-promulgated July, 1960, constitution. No other Russian satellite in Eastern Europe or elsewhere has advanced that far along the road to complete Sovietization.

Atomic equipment has been promised also to other Communist-dominated countries. The US Department of State confirmed on October 26, 1961, that Yugoslavia would receive a nuclear reactor and that the Communists in that country are anxious to purchase two more reactors. The Department also revealed that Yugoslav scientists have been receiving atomic training from American experts here in the United States.

Aid to Yugoslavia

ALL OF THIS is being done despite the fact that President Josip Broz-Tito has given his full support to Moscow for many years now. In his speech during early September, 1961, to leaders of the 25 "non-aligned" nations at Belgrade, Tito openly criticized "the tendency of those [read: The United States] who continue to make a fetish" of controls for a nuclear test-ban treaty. He also stated that it was necessary "to negotiate" the Berlin issue, without even mentioning the continued right of access to the city by the United States.

These openly pro-Russian sentiments of the Yugoslav dictator did not prevent the US government from going through with the sale of the 130 jet-fighter aircraft. Washington's "primary reason" for selling the Yugoslav Communists these serviceable F-86D Sabre jets for a mere $10,000 each was, reportedly, that President Kennedy "considered it better for the United States to provide such assistance to Communist Yugoslavia than for the Yugoslavs to turn to the Soviet Union." Yet new Soviet tanks appeared at the parade in Belgrade on May 1, 1962.

In addition to the 130 all-weather intercepters, some $325,000 was allocated to cover training costs of Yugoslav pilots and of their maintenance men who will service these "obsolescent" jet fighters. Four of the pilots, one other officer and four enlisted men were located at Perrin Air Force Base in Sherman, Texas. An additional four pilots began their training on November 22, 1961, at Lowry Air Force Base in Denver, Colorado, as weapons control technicians.

Apart from the airmen, one Yugoslav also is a student at the Command and General Staff College in Fort Leavenworth, Kansas. As an infantry officer, he is attending the regular nine-month course under the "allied officers" program at the US Army's Senior Tactical School.

Under a previous agreement which was signed in 1959 but not revealed to the public until October 4, 1961, a total of 70 Navy two-seat, single-engine TV-2 jet trainers had been sold to Yugoslavia for some $1,211,000.

Toward the end of 1961, President Kennedy also announced—to a meeting of the National Security Council—his decision that he would not halt the export of critical materials (such as ball bearings and sheet metal, for instance) to Yugoslavia.

Economic aid to this Balkan Communist state started as far back as 1946 and was stepped up in 1949, soon after the expulsion of the Yugoslav Communist party from the Cominform. Military assistance, however, did not commence until 1952 when it was decided by Washington that "the ability and determination of Yugoslavia to maintain its independence" should be supported. This policy has never changed, despite the many indications that Tito most assuredly will be on the side of the USSR in a war against the United States.

For a breakdown of American assistance to Yugoslavia over a 15-year period, see Table I below.

PROBABLY DUE to the American public outcry against aid to Communist Yugoslavia, the US government temporarily postponed a request by Belgrade to purchase some half-a-million tons of additional surplus wheat. (About $64 million worth of wheat had already been delivered to the Yugoslavs during 1961.)

The Department of State explained this new attitude as stemming from dissatisfaction with the pro-Soviet stand taken by Tito at the conference of so-called neutral nations, cited above. Official policy, however, continued all previous commitments for economic aid and also the delivery of military equipment that had already

TABLE I

US AID TO YUGOSLAVIA, 1946-1960

(in millions of dollars)

1. Economic—	
Grants	$1,033.1
Loans	405.4
2. Military—	
Grants	693.9
Loans	- - -
Total	$2,132.4

Source: International Cooperation Administration, *US Foreign Assistance and Assistance from International Organizations* (Washington: Office of Statistics and Reports, 1961), p. 23.

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About the Author

Richard F. Staar is professor of political science at Emory University in Atlanta, Georgia. He received his Ph. D. from the University of Michigan in 1954.

Though a United States citizen since birth, he spent the years 1935-1945 in Europe, his father working there as a mechanical engineer. He speaks or reads Czech, Slovak, Russian and Polish as well as French, German and English.

A Major in the Marine Corps Reserve, he has been an intelligence research specialist on Soviet Russia and Eastern Europe for the Central Intelligence Agency, the State Department, Radio Free Europe and the Marine Corps. Professor Staar is 39.

This article, like most of Professor Staar's writings, is based upon journals and reports read in the original languages. His book, *Sovietizing a Captive Nation,* will be published this summer.

been agreed upon, but it halted consideration of new programs. This evoked an angry response from Communists throughout the entire world, with Tito specifically accusing the United States of using economic pressure to force a change in Yugoslavia's foreign policy.

Thus, he declared on November 13, 1961, at Skoplje the following: "But we will not yield whether they [the United States] give us aid or not." He was referring, of course, to the request for surplus American wheat which had not been acted upon.

In the same address, Tito greatly praised the 22nd Congress of the Soviet Communist party, concurred in Khrushchev's sharp attack against Albania and openly spoke of the Chinese Communists as "Stalinists" (something which the Russians are able to accomplish only by indirection, when they castigate Albania but really mean Red China).

According to Tito, "in the United States, some capitalists and reactionaries are trying hard to bar aid [to Yugoslavia]. Wheat is being withheld in our present difficult situation." He was of course referring to the poor agricultural conditions which are symptomatic of all Communists states and not merely his own. Tito also repeated his previous contentions that Khrushchev's proposals on Berlin were acceptable and declared that some Western nations "do not want a settlement because of internal problems."

The Yugoslav dictator furthermore has gone on record —in an interview which he gave, to a correspondent of the Tokyo newspaper *Asahi* (October 25, 1961) —that there are no differences between the Soviets' and his varieties of communism with regard to their ultimate aims.

Less than a month later, the US government informed Tito's regime that it again was ready to resume negotiations for the sale of American surplus agricultural commodities. Another $45 million worth (including 500,000 tons of wheat and 30,000 tons of edible oil), to be paid for in untransferable *dinars,* will be shipped to Yugoslavia. This was announced in early January, 1962, by Washington. Another agreement for $25 million in farm surplus was signed on April 21, 1962.

It should be noted in this connection that, while accepting aid from the United States, the Communists in Yugoslavia have been distributing grants and credits throughout the underdeveloped countries.

Dr. Charles Zalar, who is on the staff of the Library of Congress, prepared a study for the Senate Internal Security Subcommittee. It was released toward the end of 1961 and lists the following sums given by Yugoslavia during a period of slightly over one year: $40 million to India, $15.4 million to Ceylon, $10 million to Indonesia, $10 million to the United Arab Republic, $10 million to Ethiopia, $5.5 million to the Sudan, $5 million to Morocco; and credits over a five-year period to Ghana for a sugar refinery, a distillery, as well as other projects.*

This makes well over one-hundred million dollars, most of which certainly was made possible because of American aid to Yugoslavia in the first place.

Aid to Poland

OUR ASSISTANCE PROGRAM to another Communist regime, that of Poland, has been less expensive to date than the one to Yugoslavia, but only because it began some 11 years later. The change in the Communist party leadership of Poland on October 21, 1956, brought Wladyslaw Gomulka back into power. This was an internal affair, and it took place with Soviet acquiescence in order to forestall a revolt similar to the one in Hungary. Poland itself was in a very precarious economic condition, and the population appeared in a mood to rebel.

Many journalists, the so-called Kremlinologists and others, have tried to explain the sequence of events in terms of a potential schism between Warsaw and Moscow, like the one which took place on June 28, 1948, between Yugoslav Reds and the Russian Communists. However, nothing could have been farther removed from the truth. There never was nor has there ever been the slightest possibility of such a break.

If the "experts" had bothered to look into an open source**, published at Moscow, they would have found a biography of the "nationalist" Gomulka which states plainly that he attended the International Leninist School between the years 1934 and 1936. This institution, located in Moscow, trained higher-ranking Communist party functionaries from foreign countries.

THE FIRST LOAN to Poland was granted in 1957 for agricultural and mining equipment. The following year more credits were extended to purchase food processing, leather and textile machinery. During the years 1959 and 1960, the loans covered such farm products as wheat, tobacco, feed grain and edible oil, with the exception of a $6-million grant for anti-polio vaccine. Table II below provides a breakdown of aid to Poland, specifically by year. Thus, almost half-a-billion dollars in aid was given to Communist Poland within a brief period of five years.

It is perhaps significant that all assistance from the Soviet Union to Poland has stopped, the last agreement having been signed at Moscow during November, 1956, and none other negotiated since that date.

* US Senate, Committee on the Judiciary, *Yugoslav Communism: A Critical Study,* 87th Congress, 1st Session (Washington: U. S. Government Printing Office, 1961), p. 257.

**"Vladislav Gomulka," *Bolshaya sovetskaya entsiklopedia* (Moscow: Gosudarstvennoe Nauchnoe Izdatelstvo, 1958), 2nd ed., vol. 51, pp. 84-85.

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TABLE II
US CREDITS TO POLAND, 1957-1962
(in millions of dollars)

1. June 7 and August 14, 1957	$ 95.0
2. February 15, 1958	98.0
3. June 10 and November 10, 1959; February 11, 1960	103.0
4. July 21, 1960	130.0
5. December 15, 1961	44.6
6. April 19, 1962	15.8
Totals	$486.4

Sources: US House of Representatives, Committee on Foreign Affairs, *Report of the Special Study Mission to Poland*, 87th Congress, 1st Session (Washington: US Government Printing Office, 1961), House Report No. 712, p. 7; New York *Times* (December 16, 1961); Department of State, *Press Release No. 260* (April 19, 1962).

It was not at all surprising that the Polish Communist recipients of American largesse should again approach Washington during 1961 with a further request for $180 million worth of US agricultural products in addition to $5 million in credits for machinery. It is known that "in certain cases, the interests of the domestic market [in Poland] must be subordinated to export requirements."* This means that the Communists are capable of and have sold food abroad even when the supply was completely inadequate inside the country. As a matter of fact, the export of meat will be doubled by 1965 although even today Poland suffers from shortages.

Jacob D. Beam, at the time US Ambassador to Poland, opened the only continuous steel galvanizing line in the Soviet bloc at Nowa Huta near Krakow in the middle of 1961. This project was financed with a $2.5-million American credit and United States equipment. Polish acting premier Piotr Jaroszewicz praised this "technical and economic cooperation" and expressed hope for more aid. This same veteran Communist just three months before had been the main speaker at a viciously anti-American rally in Warsaw during which he denounced President Kennedy as "hypocritical."

Similarly-staged demonstrations against the United States took place in other major cities of Poland and were clearly organized by its Communist regime. The American Embassy building at Warsaw and consulates in other places, for example, were stoned by mobs of hooligans, while the citizens' militia or uniformed police stood by, passively, and did nothing. The United States government was villified by one speaker after another at mass meetings, officially reported over *Radio Warsaw* and in the Communist press, and President Kennedy was gratuitously insulted.

Our Policy Bears Red Fruit

It must have been known by Washington that Communist Poland together with "Socialist" Czechoslovakia, the Soviet Union and Red China had been providing considerable economic and military aid (*e.g.*, helicopters from Poland, which does not produce them) to Cuba. The Polish Communist regime, while accepting assistance from the United States, has been following the Yugoslav example in granting credits to several countries high on the priority list for penetration by world communism.

During the years 1953 through 1960, for instance, Poland gave the equivalent of 452 million rubles in grants to Egypt, India, Argentina, Ghana and Indonesia, as reported by the Roman Catholic weekly published at Krakow.*

In a speech given by Gomulka, First Secretary of the Polish Communist party, on the occasion of the annual harvest festival celebration at Warsaw, he stated on September 10, 1961, the following: "The Western powers [read: the United States] have answered the proposals of the Soviet Union, Poland and other Socialist states concerning the conclusion of a peace treaty with Germany—the memorandum of the Soviet government handed to US President Kennedy by Comrade Khrushchev three months ago [on June 4, 1961] in Vienna—by an aggressive attitude, by increasing their armaments, by mobilization moves, by creating a war hysteria. They will not intimidate us!"

Communist party boss Gomulka went on to say that the "imperialist powers [read: the United States] are making use of lies, deceit and hypocrisy" and that the position of the Western powers regarding universal and total disarmament had "compelled the Soviet government to renew nuclear testing," as reported by *Radio Warsaw* in its domestic service.

On that same day, a *communique* issued by the Warsaw Pact defense ministers announced the strengthening of their respective defense forces. Poland also declared a state of partial emergency and mobilization.

Gomulka, in an address to the 22nd Congress of the Soviet Communist party in Moscow, claimed that "the Polish Communist party and the working masses of Poland are watching with joy and hope the successes of the USSR and the magnificent prospects for the victory of communism. In your [*i.e.*, Soviet] victories, we see also our victory; and in your prospects, our prospects." This passage appeared in the official Polish Communist party newspaper, published in Warsaw.**

The US government finally decided to postpone a

* According to the Warsaw economic weekly newspaper, *Zycie gospodarcze* (November 6, 1960); see also Ernst Schmidt, "East Bloc Practices in Trading With the West," *Swiss Review of World Affairs*, XI, No. 10 (January, 1962), pp. 23-25.

* *Tygodnik powszechny* (June 25, 1961). At least 30 new industries will be established in Ghana by Communist Poland, according to an AP despatch from Accra. New York *Times* (December 30, 1961).

** *Trybuna ludu* (November 2, 1961).

THE OBLIGING VICTIM

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decision on Poland's request for economic aid. However, within less than one month's time, it had reversed itself and made a grant of $44.6 million.

Finally, the Communist president, in a speech to the National Unity Front at Warsaw, scored what he called the "brutal and bloody machinations of the imperialist powers" and the "activities by [United States] diversionary and espionage centers in West Berlin."* Six weeks later, the US gave Poland another $15.8 million.

Open Violations

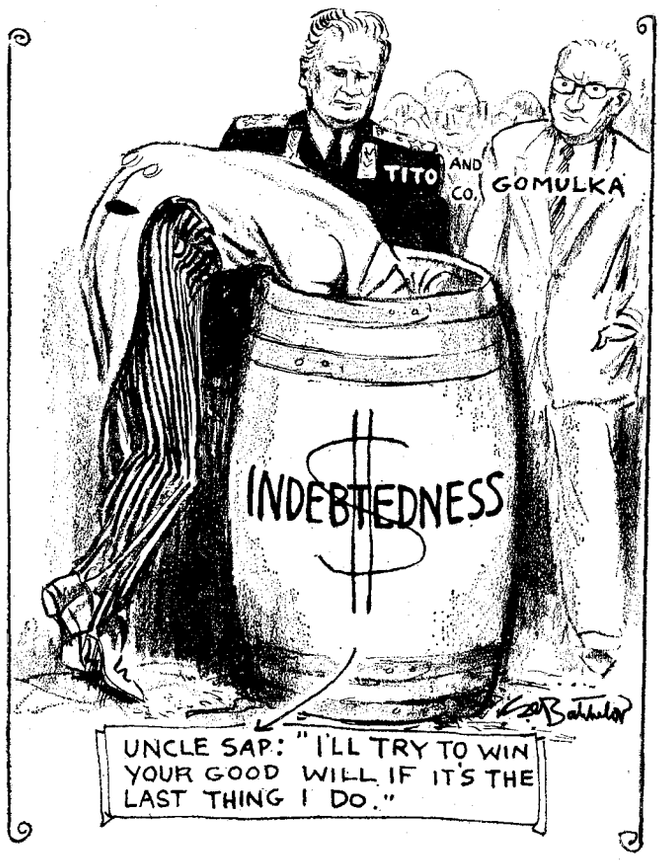
SUCH OPEN VIOLATIONS of the spirit and letter of the Battle Act, which was passed by Congress in 1947 to prohibit aid from the United States to countries that export strategic materials to Russia or to its satellites, induced the US Senate's Internal Security Subcommittee to hold hearings on trade relations with Iron Curtain states.

Joseph A. Gwyer, a researcher on Soviet industry with the Library of Congress, testified that the US government allows exports of machine tools from America directly to Communist countries. He indicated that no attempt was being made to enforce the Battle Act. This witness had knowledge of shipments including synthetic rubber, scrap metal, vehicles and industrial loading equipment to the Soviet bloc from the United States.**

This same investigating group also heard testimony by the Acting Assistant Secretary of State for Economic Affairs, Philip H. Trezise, who admitted that there was no way of knowing whether or not exports to such countries as Yugoslavia, Poland or other Communist states were being reshipped to the USSR. The permitting of exports was described as a "calculated risk" by this Department of State official. He subsequently added that US ambassadors have received "oral assurances" from Communist bureaucrats that the equipment would not be re-exported.

Trezise furthermore acknowledged the total absence of any policing over shipments by the 14 members of the Coordinating Committee which allegedly enforces the Battle Act. Even prohibited strategic materials can receive a license from the US Department of Commerce—for example, if the exporter can prove that there are other sources available to the Communist country.

Another witness was Jack H. Behrmann, Deputy Assistant Secretary of Commerce for International Affairs. He testified in reply to a question that no written agreements, as is customary in the relations among states, were made with the Communist recipients of American aid in order to prevent re-exportation because "this is a sensitive issue in some countries."* Official figures submitted by this Commerce Department official showed that American exports to the Soviet bloc during 1960 alone totaled about $193 million. Of this sum, about $143 million went to Communist Poland and over $38 million to the USSR.



Yugoslavia, which is not included in the bloc, according to the Commerce Department, received an additional total of almost $86 million in American exports. Apart from the foregoing, in March, 1961, the Yugoslav Communists also obtained eight diesel locomotive cranes.

During a little over two months, from July to October of 1961, it was revealed that licenses had been issued for exports to Russia and to Eastern Europe of synthetic rubber, iron and steel scrap, copper scrap, electronic computers and electrolytic copper in large amounts.

As a result of the foregoing testimony, Senator Kenneth B. Keating (R.-N. Y.) has proposed new and stricter export control laws as well as a more vigorous enforcement of restrictions on shipments to Soviet-bloc countries. He demands that the Defense Department instead of the State Department exercise complete veto power over any exports to the Communist sphere which, in its opinion, will contribute to the military potential of the enemy. Another aspect of the Senator's plan is that subsidiaries of American companies overseas be subject to the same restrictions on the export of strategic materials as are their parent companies here in the United States.

Let us hope that Congress will pass this legislation as soon as possible.

*Aleksander Zawadzki in *Ibid.* (March 4, 1962).

**US Senate, Committee on the Judiciary, *Export of Strategic Materials to the USSR and Other Soviet Bloc Countries*, 87th Congress, 1st Session (Washington: U. S. Government Printing Office, 1961), Part 1, p. 131.

Ibid. (1962), Part 2, p. 133. The testimony of Mr. Trezise appears on p. 279 of this same publication.

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